

# THE STATE OF THE AMERICAN WORKER

## United States Labor Force

Enjoying today's extraordinary economic prosperity, the American worker has come a long way from the Dark Ages of indentured servitude and bonded labor. Our computerized,

high-tech, service-oriented world of work is ready to engage all who are ready, willing, and able to share in the rewards of the unprecedented opportunities that stand on the horizon of the 21st century.

quality jobs, with 81 percent of the job growth in those industries and occupations paying above-median wages, and 65 percent in the highest-paying third of those categories.

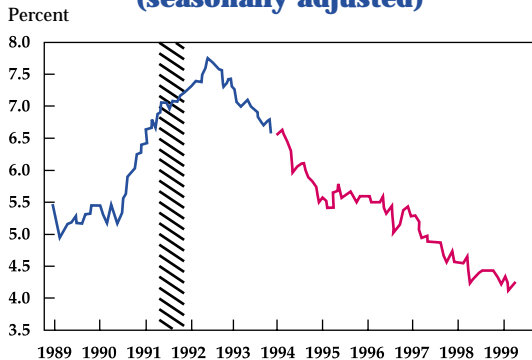
The best news is that this prosperity has been broadly shared. Groups that have too often been left behind are making significant gains.

Unemployment among African Americans fell to 7.6 percent in May 1999, the lowest rate on record. Hispanic unemployment also reached a record low this year – 5.9 percent in March 1999. The unemployment rate for women is the lowest it has been since 1953. Unemployment rates have also declined for all educational groups since 1992, with the largest percentage point declines in the groups with the fewest years of schooling.

As unemployment dipped, increases in earnings, adjusted for inflation, were widely shared in the late 1990s, sharply contrasting to the 1980s, when earnings increases went to high-wage workers and real earnings fell for low-wage workers. Real median household income reached an all-time high of \$38,885 in 1998. The poverty rate fell to 12.7 percent, the lowest since 1979. The effects of the Earned Income Tax Credit (EITC) lifted an additional 4.3 million people out of poverty in both 1997 and 1998.

African Americans experienced a 15.1 percent increase in real median household income between 1993 and 1998, and the 26.1 percent poverty

**Unemployment Rate, 1989-99  
(seasonally adjusted)**



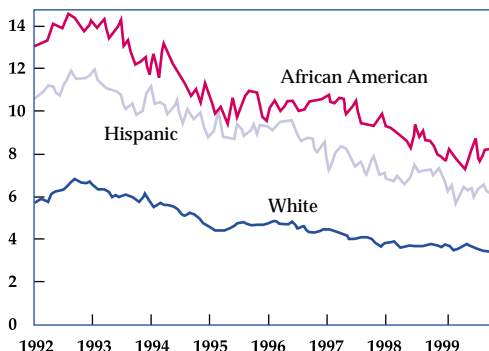
**Source:** Bureau of Labor Statistics  
Current Population Survey

**Note:** Shaded area represents recession. Color change from blue to red in series in January 1994 is due to the redesign of the survey

Let us take a closer look at modern America and its workers. First, the health of the American economy is robust, the best in three decades. Since January 1993, more than 20 million new jobs have been created;

the result is that a greater percentage of the population aged 16 and over is employed now than at any previous time. Unemployment averaged 4.2 percent in 1999, the lowest rate since 1969. Also, the new jobs are high

**Unemployment Rates  
by Race and Ethnicity**



**Source:** Bureau of Labor Statistics  
Household Survey

rate for African Americans was the lowest ever recorded. Real median income of Hispanic households grew by 4.8 percent in 1998, and the Hispanic poverty rate dropped to the lowest since 1979.

Overlaying this outstanding record of achievement was the dramatic transformation of the American workforce. Service and white-collar occupations increasingly dominated the work world, while export-related jobs in manufacturing reflected an America that has become increasingly intertwined with the global economy. And small business has proven its vital role in job creation, as the share of workers employed by establishments with fewer than 500 workers rose from 73 percent in 1976 to 81 percent in 1998.

The Department's *futurework* report on the trends and challenges for work in the 21st century related that our new economy was and will be powered by technology, fueled by information, and driven by knowledge. A far cry from the days when all you needed to hold a job was a willing pair of hands.

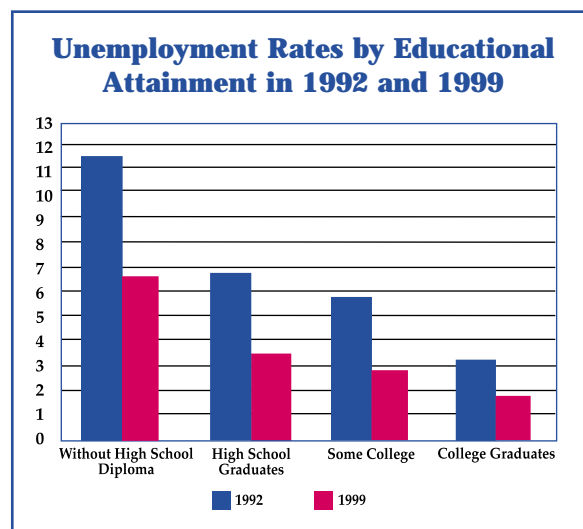
Just as historically removed from yesteryear is the traditional male make-up of the workforce. During the past 20 years, women have increasingly gone to work—they now account for 47 percent of America's 139 million workers. Three-fifths of women with small children (under age three) were in the labor force in 1998. While nearly three-fourths of the workforce will remain white and non-Hispanic by 2008, African Americans, Hispanics, Asians, and other minorities will account for about two-thirds of new workers between now and 2008.

The nature of work is also changing. The employment of temporary help has increased since the early 1980s. By February 1999, 1.2 million people worked for temporary help agencies. Since the late 1960s, we have seen a slight increase in the proportion of jobs that are part-time, and the number of employees who do some work at home or telecommute is now estimated at as many as 21 million.

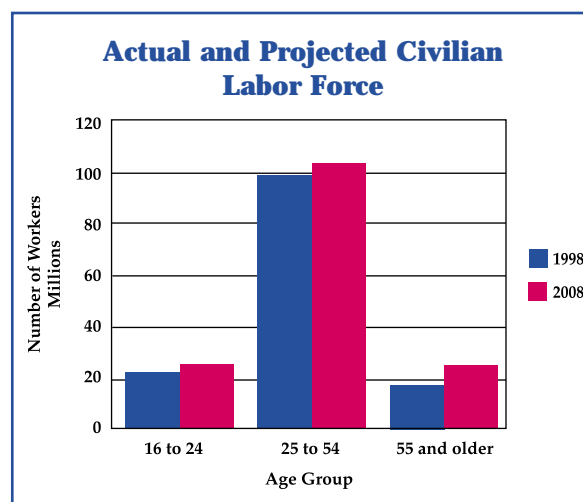
Technology will continue to transform jobs and require better skills to do them.

Employment opportunities will favor those who have higher levels of education and training. For example, a Princeton University study found

that workers who use computers earn 10-15 percent more than those whose jobs do not require them. Workers with college degrees have higher real earnings today than in the late 1970s, while the earnings of those with only a high school education or less have fallen. The result is that while college graduates earned 38 percent more than high school



Source: Bureau of Labor Statistics, Household Survey



graduates in 1979, they earned 76 percent more in 1999. And high school dropouts are three times more

likely to be unemployed than college graduates.

Technological change is likely to continue to increase the demand for skilled workers. The vast majority of current and future jobs will need workers who have

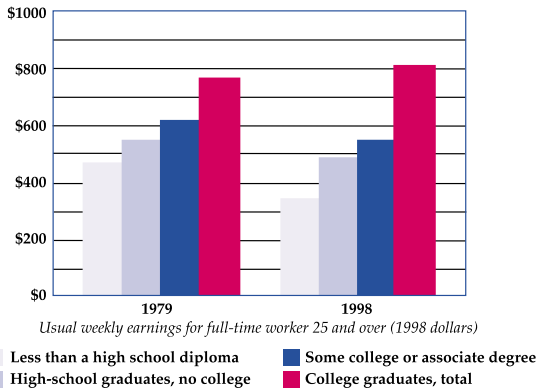
acquired knowledge and skills via two-year colleges, vocational schools, on-the-job training, and real work experience. While overall employment is projected to rise by 14 percent during 1998-2008, professional occupations will grow by 27 percent, followed by technical occupations, such as health and engineering

technicians, at 22 percent.

Occupations requiring a bachelor's degree are expected to expand by 24 percent, while those requiring an associate's degree will grow by 31 percent. Not only will globalization affect the types of jobs in demand in the U.S., but also events and conditions in countries outside of the U.S. will increasingly impact on the well-being of American workers.

The workforce today is the harbinger of the workforce tomorrow. The Department of Labor is committed to enhancing employment opportunities for all Americans, promoting the economic security of workers and families, and fostering quality workplaces that are safe, healthful, and fair. The challenge is to prepare all of today's workers to share in the rewards of our new high-tech global economy, so that no individual is ever "jobsolete," so that no family is ever bereft of basic benefits, and so that no workplace is ever a danger to health or a source of discrimination. ■

### Weekly Earnings by Education



### Occupations with the Fastest Employment Growth

(Projected Percent Increase: 1998-2008)

